

*Last updated: May 2016*

*The following case study is a fictionalized version of an actual situation encountered by experts in the field. While it is based on real experiences, it is not intended to depict any particular location or company.*

**Handling Local Concerns in a Comprehensive and Coordinated Way**

IndustroChem Industries produces industrial chemicals from petroleum feed stock at its Greenville manufacturing plant. The plant is located in a highly industrial zone in a densely populated urban area. Other industrial activities in the zone include additional chemical plants, a refinery, a coal-fired power plant, and a municipal wastewater treatment plant.

The area is in an older part of Greenville, where people live very near to the industrial facilities. Citizens are concerned about the environmental and health effects of the local industry, but many of the older residents say it is something they must put up with since the industrial zone is responsible for the relatively strong local economy and offers jobs with good pay. The main community concern in the area is related to odors from the chemical plants, refinery, and wastewater treatment plant. On particularly bad days, the older residents say “it smells like money.” The area offers more affordable housing than other parts of the city, and as some of the older residents have moved out, young families without ties to the local heavy industry are moving in. These new residents are more concerned about the smells from the plant and are worried about potential health effects on children from living so close to industry.

IndustroChem was frequently blamed for episodes of foul smell, to the point that it was harming the reputation of the company with the community. Management felt they were unfairly blamed, and were particularly frustrated that the municipal wastewater treatment plant—which they viewed as mostly responsible for the sulfurous odor in the area—was escaping criticism because it was not as visible as IndustroChem. The wastewater treatment plant occupied a low spot next to the river, whereas IndustroChem’s storage tanks and stacks with an occasional flare were highly visible.

**Setting Up the Grievance Mechanism**

IndustroChem management recognized that citizens were increasingly expressing concerns and decided the company needed to do something about it. They had never really needed a dedicated community engagement person and considered the community concerns they were aware of to be primarily related to environmental issues like odor and noise. They also felt that they were a good operator and that many of the concerns were more related to other operators in the area than to their own activities. Consequently, they tasked the site environmental manager, Mike, with determining some way of better managing community concerns and complaints, and thought that setting up a hotline that people could call when they had a concern would be appropriate.

Because Mike had an environmental background, he had a good understanding of the regulatory environment and thought any complaints hotline needed to be coordinated with the Regional Environmental Authority (REA). He also understood that with so many industrial activities in the area, a hotline implemented and managed by IndustroChem could end up as a clearinghouse for concerns about all the operators in the area.

Mike had a good relationship with the local representative of the REA, Beth. He discussed IndustroChem’s concerns with her and asked if the REA could implement a Community Concerns and Complaints Hotline, with help from IndustroChem. Beth recognized the need, and agreed they needed a better and more coordinated system to address community concerns. Beth and Mike together designed a process for developing and implementing the hotline:

* Stakeholder meetings would be held with industry operators to introduce the concept of a hotline and gain buy-in from area companies. Each operator would be asked to designate a Grievance Officer.
* Community meetings would be held to introduce the hotline and get feedback on how it could work.
* A toll-free number would be set up and a service would be contracted to provide live support.
* REA staff time would be allocated to manage the hotline.
* The hotline would be publicized within the community with billboards, postcards, and informational meetings.

The process worked like this:

* A community member with a complaint calls the toll-free line.
* The answering service records the concern and forwards the information on to the REA.
* The designated REA representative reviews the complaint. If the complaint is related to an environmental concern such as odor, the representative reviews monitoring data for each operator and determines which industry might have been responsible.
* The REA representative discusses the complaint with the designated grievance officer of each operator that could be responsible. The REA and the industry representatives together determine the source of the complaint.
* If there is no agreement on the origin of the complaint, the complaint is passed on to the REA Administrator for investigation and action. The hotline process ends.
* If there is agreement on the origin of the complaint, the responsible industry discusses the incident with the complainant and the REA representative and develops a corrective action plan, if appropriate.

The hotline was quite successful in managing community concerns. In the first year the hotline operated, 240 complaints were received, mostly related to odors and a few related to noise. Of these, only 10 were attributed to IndustroChem. REA acknowledged IndustroChem as a model operator based on these results. The techniques IndustroChem employed for managing impacts like odor and noise were held up as examples to the other industries in the area.

IndustroChem was able to identify a gap in the ability of community members to express concerns. Unfilled, this gap could have led to built-up resentment that would very likely have focused on IndustroChem. The company was able to work with the REA to provide community members a voice while strengthening the ability of the regulator to respond to community concerns and holding operators in the area accountable. The system they helped implement led to a pleasant surprise—they were identified by REA as a model operator. They also were pleased that problems with other operators that they knew likely existed had now been identified and were being addressed.